AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

§ 272.3 Meetings.

(a) *Place and frequency.* The Committee meets in Washington, DC, at least four times each year and oftener if deemed necessary. Meetings are held upon the call of the Chairman of the Board or at the request of any three members of the Committee. Notices of calls by the Chairman of the Board to other members are given by the Secretary of the Committee in writing, by telephone, or electronic means. Requests of any three members for the calling of a meeting shall state the time therefor and shall be filed in writing, by telephone, or electronic means with the Secretary who shall forthwith notify all members of the Committee in writing, by telephone, or electronic means. When the Secretary has sent notices to all members of the Committee that a meeting has been requested by three members and of the time therefor, a meeting is deemed to have been called. If, in the judgment of the Chairman, circumstances require that a meeting be called at such short notice that one or more members cannot be present in person, such members may participate in the meeting by telephone conference arrangements or by electronic means.

(b) *Alternates.* Whenever any member of the Committee representing Federal Reserve banks shall find that the member will be unable to attend a meeting of the Committee, the member shall promptly notify the member's alternate and the Secretary of the Committee in writing, by telephone, or electronic means, and upon receipt of such notice such alternate shall advise the Secretary whether the alternate will attend such meeting.

(c) *Quorum.* Seven members constitute a quorum of the Committee for purposes of transacting business except that, if there are fewer than seven members in office, then the number of members in office constitute a quorum. For purposes of this paragraph (c), members of the Committee include alternates acting in the absence of members. Less than a quorum may adjourn a meeting of the Committee from time to time until a quorum is in attendance.

(d) *Attendance at meetings.* Attendance at Committee meetings is restricted to members and alternate members of the Committee, the Presidents of Federal Reserve Banks who are not at the time members or alternates, staff officers of the Committee, the Manager, and such other advisers as the Committee may invite from time to time.

(e) *Meeting agendas.* The Secretary, in consultation with the Chairman, prepares an agenda of matters to be discussed at each meeting and the Secretary transmits the agenda to the members of the Committee within a reasonable time in advance of such meeting. In general, the agendas include reports by the Manager on open market operations since the previous meeting, and ratification by the Committee of such operations; reports by Economists on, and Committee discussion of, the economic and financial situation and outlook; Committee discussion of monetary policy and action with respect thereto; and such other matters as may be considered necessary.

[38 FR 2754, Jan. 30, 1973, as amended at 44 FR 52823, Sept. 11, 1979; 65 FR 6320, Feb. 9, 2000; 68 FR 6061, Feb. 6, 2003; 70 FR 7840, Feb. 16, 2005]

§ 272.4 Committee actions.

(a) *Actions at meetings.* Actions are taken at meetings of the Committee except as described below.

(b) *Actions between meetings.* Special circumstances may make it desirable in the public interest for Committee members to consider an action to modify an outstanding Committee authorization or directive at a time when it is not feasible to call a meeting. Whenever, in the judgment of the Chairman, such circumstances have arisen, the relevant information and recommendations for action are transmitted to the members by the Secretary, and the members communicate their votes to the Secretary. If the action is approved by a majority of the members, advice to that effect is promptly given by the Secretary to the members of the Committee and to the Reserve bank selected to execute transactions for the System Open Market Account. All communications of recommended actions and votes under this paragraph shall be in writing, by telephone, or

electronic means; if the communication is made orally, the Secretary shall cause a written record to be made without delay. An action taken between meetings has the force and effect of an action at a meeting: *Provided, however,* That if a meeting is held before the execution of any operations pursuant to the action, the action is null and void unless it is ratified and confirmed by the Committee at such meeting.

(c) *Delegations of authority.* In special circumstances, the Committee may delegate authority to take an action, subject to such instructions or guidelines as the Committee deems proper. Such delegations of authority may be made to the Chairman; to a subcommittee consisting of the Chairman and the Vice Chairman of the Committee and the Vice Chairman of the Board (or in the absence of the Chairman or of the Vice Chairman of the Board the members of the Board designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee the alternate for the Vice Chairman); or to any other member or members of the Committee. An action taken pursuant to such a delegation of authority has the force and effect of an action taken by the Committee.

(d) *Technical changes to Committee rules.* The Secretary of the Committee (or the acting secretary) is authorized to make technical corrections, such as spelling, grammar, construction, and organization (including removal of obsolete provisions and references), to the Committee's rules, regulations, and orders and other records of Committee action but only with the concurrence of the Committee's General Counsel.

(e) *Effective date.* Committee action ordinarily is made effective as of the time it is taken because the nature of the subject matter and the action taken is such that the public interest and the proper discharge of the Committee's responsibilities so require. Occasionally, however, the Committee may specify that an action is to be effective at some different time.

[38 FR 2754, Jan. 30, 1973, as amended at 65 FR 6320, Feb. 9, 2000; 70 FR 7841, Feb. 16, 2005]

§ 272.5 Notice and public procedure.

There ordinarily is no published notice of proposed action by the Committee or public procedure thereon, as described in section 553 of title 5 of the United States Code, because such notice and procedure are impracticable, unnecessary, or contrary to the public interest.

PART 281—STATEMENTS OF POLICY

§ 281.1 Policy regarding the Government in the Sunshine Act.

On September 13, 1976, there was enacted into law the Government in the Sunshine Act, Pub. L. No. 94–409, 90 Stat. 1241 (''Sunshine Act''), established for the purpose of providing the public with the ''fullest practicable information regarding the decision-making processes of the Federal Government * * * while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.''[1] The Sunshine Act applies only to those Federal agencies that are defined in section 552(e) of Title 5 of the United States Code and ''headed by a collegial body composed of two or more individual members, a majority of whom are appointed to such position by the President with the advice and consent of the Senate, and any subdivision thereof authorized to act on behalf of the agency.''[2]

The Federal Open Market Committee (''FOMC'') is a separate and independent statutory body within the Federal Reserve System. In no respect is it an agent or ''subdivision'' of the Board of Governors of the Federal Reserve System (''Board of Governors''). It was originally established by the Banking Act of 1933 and restructured in its present form by the Banking Act of 1935 and subsequent legislation in 1942 (generally see 12 U.S.C. 263(a)). The FOMC's membership is composed of the seven members of the Board of Governors and five representatives of the Federal Reserve Banks who are selected annually in accordance with the procedures set forth in Section 12A of the Federal Reserve Act, 12 U.S.C. 263(a). Members of the Board of Governors serve in an ex officio capacity on the FOMC by reason of their appointment as Members of the Board of Governors, not as a result of an appointment ''to such position'' (the FOMC) by the President. Representatives of the Reserve Banks serve on the FOMC not as a result of an appointment ''to such position'' by the President, but rather by virtue of their positions with the

[1] Government in the Sunshine Act, Pub. L. 94–409, sec. 2, 90 Stat. 1241 (1976).

[2] Government in the Sunshine Act, Pub. L. 94–409, sec. 3(a), 90 Stat. 1241 (1976).